

**From:** "Brenda Davidson" <davidson@altamaha.org> on 09/24/2007 01:40:05 PM

**Subject:** Truth in Lending

Brenda Davidson  
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Federal Reserve Board Comment

Dear Federal Reserve Board Comment:

My credit union represents its members very well, and part of the design and culture require that our members maintain the same ease and timeliness that they are accustomed. This would put a great burden on the members that we serve and staff as well. We have policies, disclosures and currently that are sufficient.

For the proposed changes to the application and solicitation disclosures, we agree that the 10-point font size may be easier to read and understand by our members. As for disclosing possible APRs that may apply, we do not believe listing only the highest to be appropriate and may mislead the member as to what APR would apply to them.

Many of our comments on the proposed application and solicitation disclosures also apply to the account-opening disclosures. Also, financial institutions should have the flexibility to amend and reduce these disclosures since much of the information may also be in the cover letters provided when the account is opened. We also believe that this model account opening disclosures and application and solicitation disclosures should be identical, as opposed to similar, to reduce confusion on both consumer and financial institutions who choose to use these model disclosures.

My credit union strongly supports eliminating the requirement to disclose the effective APR on the periodic statement which includes certain fees and costs. The APR is confusing and difficult to understand, since it may vary greatly from month to month and may differ greatly from the interest rate that has been disclosed to the consumer. However, the dollar amount of these fees should continue to be disclosed.

With regard to the proposed statement model form, the Board's consumer testing seems to indicate that grouping transactions by type such as purchases, cash advances, balance transfers, fees and interest is easier for our members to understand; but, credit unions generally group these transactions chronological and have heard very few complaints.

As to the proposal that includes information on the effects of making minimum payments as required under the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, creditors should be permitted to describe this information as a "Good Faith" estimate or similar terminology since it is based on assumptions that may or may not apply to a specific situation.

We support the proposed change that would require a 30-day advance notice

of changing terms of an open-end credit plan, instead of the typical 15-day notice.

We support the addition guidance provided for debt suspension coverage which is similar to the guidance for debt cancellation coverage.

Because of the extensive and comprehensive changes to REG Z open-end rules since the 1980s, credit unions should have a significant amount of time to prepare for these changes for a period of not less than two years after the changes are issued in final form.

Sincerely,

Brenda Davidson